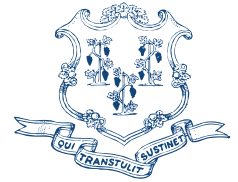




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Environment Committee
February 27, 2023, Public Hearing

Testimony of Claire E. Coleman, Consumer Counsel

Governor's Bill No. S.B. 979
An Act Promoting Energy Affordability, Energy Efficiency and Green Cities

Thank you for the opportunity to submit testimony today **in support of Governor's Bill S.B. 979** – a forward thinking and pro-consumer proposal that will advance energy affordability, energy efficiency, clean energy and power reliability, as well as quality of life in Connecticut.

If enacted, this bill would implement several key energy and environmental initiatives. It would broaden the energy-related procurement authority of the Department of Energy and Environmental Protection (DEEP) to include transmission resources and associated transmission infrastructure, which could include new transmission lines for nearby offshore wind generation. The bill would also create a home energy label that would score a building's energy efficiency consistent with national ratings systems. The proposal would also make changes to Connecticut's building code to allow municipalities, if they choose, to adopt zero energy provisions of the International Energy Conservation Code, expand training requirements for various skilled trade professions in the building sector that are critical to energy efficiency deployment and the clean energy transition, and it establishes a state goal for tree canopy coverage in environmental justice communities. OCC offers the following testimony to highlight the anticipated positive impact on energy consumers of certain provisions of S.B. 979.

OCC strongly supports the provisions in **Section 1** that establish a competitive transmission procurement process to be overseen by DEEP. This new tool will be crucial for facilitating Connecticut's clean energy transition in a cost-effective and affordable manner. As Connecticut pursues new offshore wind generation, it will need to ensure that this important clean energy resource is connected to our power grid at the least cost to Connecticut's ratepayers. Smart transmission procurement and planning can accomplish this, and Section 1 sets appropriate criteria for project bid solicitation, as well as regulatory scrutiny by the Public Utilities Regulatory Authority, that will make sure the winning project proposals are in the best interest of ratepayers.

As the statutory advocate for Connecticut's consumers, OCC particularly appreciates that the

bill includes our Office in the solicitation process – both at the initial stage and then also for bid evaluation – as an additional way to ensure any such procurement will benefit our electric ratepayers. Our Office has strong experience helping vet energy procurements and would be able to bring its expertise and pro-consumer mission to any such effort. Other commendable and consumer-protective provisions in Section 1 include the possibility of multi-state coordination on procurements (a tactic that can lower costs), language that would factor in reliability and winter peak demand considerations when evaluating bids (this will help give Connecticut more control over managing these cost-drivers for our power grid), and language that would require crediting certain net contract revenues back to electric ratepayers (a similar feature for the Millstone power contract has recently benefited consumers during the power supply price hike).

We should also note that the timing is right for our state to seek more control over new regional transmission infrastructure development, given the promising possibilities of significant federal funding that may now be available, such as through the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, or other federal programs targeting power grid modernization. Federal support of this kind will help minimize the use of ratepayer dollars for these new transmission-related investments; I think we can all agree that the precious and finite funding provided by Connecticut’s already overburdened electric ratepayers should always be a last resort. Likewise, giving DEEP authority to work with our New England states and regional grid operator should help ensure cost controls and methods to better ensure efficient coordination of new transmission buildout are established.

Regarding **Section 2** of this proposal, which is supported by clarifying language in **Section 3**, OCC believes providing prospective renters and homeowners with energy cost information is incredibly important, especially as energy costs in Connecticut are amongst the highest in the nation. Energy efficiency is one of the easiest and most cost-effective ways to reduce energy costs for consumers.¹ Tenants may not have control over many aspects of energy use in their unit, so the home energy label information would provide another metric that tenants can use to evaluate whether to rent a unit. This requirement may also further incentivize the property owner to take steps to maximize the energy efficiency of the dwelling to be competitive with other comparable units on the market, encouraging actions that will ultimately assist renters with their electricity bills and also benefit all electric ratepayers by lowering the overall costs of the electric system.

Understanding historical electricity, natural gas, or heating fuel costs prior to committing to rent a property is critical budgeting information for the new occupant. This information is particularly important for low-and moderate-income households who face the highest energy burden. When tenants are burdened with unexpectedly high energy bills, they will fall behind on their payments, which can lead to utility shutoffs, which are a disruptive, life-altering consequence. Many in Connecticut are clearly already overburdened by energy costs.

¹ [ENERGY EFFICIENCY | DEPARTMENT OF ENERGY](https://www.energy.gov/eere/energy-efficiency) (<https://www.energy.gov/eere/energy-efficiency>).

We see this in the alarming fact that nearly half of Connecticut's two million electricity consumers are already behind on their payments. This is not only harmful for the individual who cannot pay their energy bills, but it will also cause problems down the line for all ratepayers as unpaid bills pile up state-wide and accrue carrying costs that will ultimately need to be dealt with. The long-term impact continues to build unfortunately; our utility companies currently carry about \$600 million in unpaid customer debt, known as arrearages.

Additional efforts to increase deployment of energy efficiency measures are found in **Section 4**, which amends Connecticut's State Building Code to give municipalities the ability to choose to adopt zero-energy building code provisions found in the well-established International Energy Conservation Code. OCC supports the primary purpose of this simple reform, as it would give Connecticut's cities and towns a new and effective way to help lower energy-related costs for their residents and businesses – zero energy buildings are extremely energy efficient. This would also benefit Connecticut's electric ratepayers more generally, while preserving some choice and autonomy for municipalities on implementation.

In conclusion, from a consumer perspective, this is an incredibly important proposal because when residents, property owners, or municipalities make energy efficiency improvements to a property, we see positive ripple effects: reduced energy usage lowers demand on our power plants and the grid, lowering costs to deliver and supply energy, resulting in lower bills. These savings accrue not just to those customers who consume less as a result of energy efficiency measures, but to all consumers because the price reductions are passed on to all customers as lower rates. We appreciate Governor Lamont's leadership on these important issues and the opportunity to support S.B. 979.

Should you have any questions, please do not hesitate to contact me at Claire.E.Coleman@ct.gov or our **Brooke Parker**, OCC Communications & Legislative Program Manager, at 860-827-2914 or Brooke.Parker@ct.gov